



The Iowa Retirement Investors' Club (RIC) 403b program is an employer-sponsored supplemental retirement savings benefit that provides an easy way for you to save a portion of current wages for future income needs. Certain plan provisions have been customized by your employer. For details specific to your plan, access your employer's plan details at <https://das.iowa.gov/RIC/403b/employers>. You have the option to roll assets from other eligible retirement plans (IRAs, 401ks, 403bs, etc.) into your RIC 403b at any time. RIC has no vesting requirements.

403b Contributions -

Pretax contributions are made through automatic salary reduction only. The total of all 403b contributions in a tax year must not exceed the IRS declared annual maximum limits.

2015 IRS 403b Maximum Contribution Limits				
Regular 100% of compensation* up to:	Age 50+ Participants age 50+	15-Year Catch-Up Employed w/current employer 15+ yrs	Total Employee If eligible for both Age 50+ & 15-Yr Catch-Up	Total EE & ER Combined employer & employee contributions
\$ 18,000	\$ 24,000	\$ 3,000**	\$ 27,000	\$ 53,000***
<p>* Compensation is your gross salary minus your retirement (IPERS), FICA, and other required deductions.</p> <p>** A calculation is required to determine the 15-Year Catch-up amount. Employees eligible for both the Age 50+ and 15-Yr Catch-up in the same year must use that year's 15-Yr Catch-up before contributing under the Age 50+ limit.</p> <p>***Limit for employees age 50+ who contribute \$6,000 is \$59,000</p>				

- Contribution frequency options are determined by your employer, including possible options for final pay.
- Minimum contribution amounts are determined by your employer. Maximum limits are shown above.
- If the Roth option is available in your plan, you may choose to make pretax, or post-tax contributions, or both
- You may change or stop contributions at any time

Tax Advantages - Tax benefits differ based on the tax treatment of contributions going into RIC and tax credit eligibility. Contact a tax professional if you have questions about how these tax benefits may affect your specific needs.

- 1) **Pretax** contributions are deducted from your wages before state and federal income tax withholding. This gives you the immediate tax benefit of a lower taxable income for the year. Investment earnings grow tax-deferred.
- 2) **Post-tax Roth** contributions (if available in your plan) are deducted from your wages after state and federal taxes are withheld. There is no immediate tax benefit. Investment earnings are tax-free if distribution is qualified.
- 3) **The Savers' Tax Credit** of up to \$1,000 may be available if you qualify.

Investment Selection- Whether your investment objective is safety, income, or growth, each RIC provider offers multiple diversified investment options to meet your investment style. Changes to investments and providers within the plan are penalty and restriction-free. For more information, see <https://das.iowa.gov/RIC/403b/providers>.

Enrollment – You may pre-enroll at <https://www.surveymonkey.com/s/403bPreEnroll> or call an RIC provider to request a meeting or enrollment kit (includes forms and investment information) to open your account and begin salary reductions. Don't struggle through the enrollment process alone; ask a provider to help you! View sample questions to ask a provider on RIC's website.

Horace Mann	MassMutual	TIAA-CREF	VALIC	Voya (formerly ING)
877-602-1861	800-528-9009	888-877-1446	800-945-6763	800-555-1970

Provider Exchanges- You may request to exchange your current account for one with another provider. If you have funds with an inactive provider, it is important to ask that provider if you will incur surrender charges. If your exchange is subject to surrender charges, your policy may allow the transfer of a designated penalty-free amount each contract year until the surrender period is past. The RIC core providers have no withdrawal fees or restrictions on transfers.

* Roth qualified distributions are tax-free if a distributable event has occurred, account is held 5+ years; and participant is age 59½ or older, disabled, or deceased.

Distributions - A “distributable event” (shown below) must occur to be eligible for a distribution. Taxable distributions are declared as ordinary income to you.

- **Termination of employment**

If you have left employment, you are eligible to take distribution of part or all of your account at any time.

- **Service Credit Purchase**

If you qualify, you may request to move pretax money from your RIC 403b account to IPERS while still employed. This is a non-taxable transfer. To find out if you qualify to purchase IPERS credits (quarters), contact IPERS toll free at 800-622-3849 (281-0020 in Des Moines) or email them at Info@ipers.org.

- **59 ½ Withdrawal**

If you are age 59 ½ or older, you are eligible to take distribution of part or all of your account at any time.

- **Hardship Withdrawal** (*May not be available in your employer’s plan*)

You must provide proof of financial hardship in order to receive funds. You may only receive your voluntary (salary reduction or Roth) contributions. You are not eligible to receive earnings on your contributions, or any employer contributions and earnings. Strict federal guidelines determine your eligibility to withdraw.

- **Loans** (*May not be available in your employer’s plan*)

You may be eligible to apply for a loan while employed. You may not borrow more than 50% of your account up to \$50,000, whichever is less. Five years is the maximum duration of a loan. Your employer’s plan may allow for longer durations if you are using the loan for a primary home purchase and proof is provided. You must repay the amount you borrowed, plus interest, with post-tax dollars. Please ask your provider if you have questions regarding loan set-up, interest rates, maintenance fees, or repayment options upon separation from employment.

- **Reservist Withdrawal**

This type of withdrawal is available only to a reservist or national guardsman who was ordered or called to active duty for a period in excess of 179 days, or for an indefinite period, and is made during the period beginning on the date of the order or call to duty and ending at the close of the active duty period.

How to Request a Distribution- To request a distribution, you must request a *Distribution Authorization Certificate* from RIC’s third party administrator, planwithease, by logging on at www.planwithease.com. After you receive a certificate for the distribution, you must submit the certificate, along with your provider’s forms, to your provider. Contact the provider directly to request their required forms.

Additional Information- For additional information, visit <https://das.iowa.gov/RIC>. If you have questions, please contact:

- John Williams at 866-460-4692 option 1, 515-725-2135, or email: john.williams5@iowa.gov
- Jennifer Sandusky at 515-281-0569 or email: jennifer.sandusky@iowa.gov